

**AMENDMENTS TO CLAIMS**

Please amend the claims as follows:

1-14. (Canceled)

15. (Previously Presented) The method of claim 48, wherein the drill bit structure comprises at least one roller cone.

16. (Original) The method of claim 15, wherein the plurality of holes are machined in substantially circumferential rows on the at least one roller cone.

17. (Previously Presented) The method of claim 48, wherein the drill bit structure comprises at least one shoulder of a bit body.

18. (Original) The method of claim 17, further comprising arranging the plurality of spacers in rows on the at least one shoulder.

19. (Previously Presented) The method of claim 48, wherein the spacer inserts comprise graphite.

20. (Previously Presented) The method of claim 48, wherein the spacer inserts comprise oxide ceramic.

21. (Previously Presented) The method of claim 48, wherein the spacer inserts comprise soft metal.

22. (Previously Presented) The method of claim 48, wherein the spacer inserts comprise heat resistant plastic.

23. (Previously Presented) The method of claim 48, wherein the affixing comprises adhesively bonding the plurality spacer inserts to the drill bit structure.

24. (Previously Presented) The method of claim 48, wherein the positioning drilling inserts comprises brazing drilling inserts in each hole.

25-27. (Canceled)

28. (Previously Presented) The method of claim 50, wherein the drill bit structure comprises at least one roller cone.

29. (Original) The method of claim 28, wherein the plurality of holes are machined in substantially circumferential rows on the at least one roller cone.

30. (Previously Presented) The method of claim 50, wherein the drill bit structure comprises at least one shoulder of a bit body.

31. (Original) The method of claim 30, further comprising arranging the plurality of spacers in rows on the at least one shoulder.

32. (Previously Presented) The method of claim 50, wherein the spacer inserts comprise graphite.

33. (Previously Presented) The method of claim 50, wherein the spacer inserts comprise oxide ceramic.

34. (Previously Presented) The method of claim 50, wherein the spacer inserts comprise soft metal.

35. (Previously Presented) The method of claim 50, wherein the spacer inserts comprise heat resistant plastic.

36. (Previously Presented) The method of claim 50, wherein the affixing comprises adhesively bonding the plurality spacer inserts to the drill bit structure.

37. (Previously Presented) The method of claim 50, wherein the positioning drilling inserts comprises brazing drilling inserts in each hole.

38. (Withdrawn) A method of forming a drill bit structure, the method comprising:

applying a hardfacing material to selected surfaces of the drill bit structure, the hardfacing material comprising:

a carbide infiltrated material comprising a plurality of perforations at preselected locations therein; and

a powder infiltrated material comprising a plurality of perforations therein, the perforations in the powder infiltrated material adapted to correspond to the perforations in the carbide infiltrated material;

machining a plurality of holes in the drill bit structure proximate the plurality of corresponding perforations; and

positioning drilling inserts in each hole.

39. (Withdrawn) The method of claim 38, wherein the drill bit structure comprises at least one roller cone.

40. (Withdrawn) The method of claim 39, wherein the plurality of corresponding perforations are arranged in rows.

41. (Withdrawn) The method of claim 38, wherein the drill bit structure comprises a shoulder of a bit body.

42. (Withdrawn) The method of claim 41, wherein the plurality of corresponding perforations are arranged in rows.

43. (Withdrawn) The method of claim 38, wherein the carbide infiltrated material comprises at least one of polytetrafluoroethylene and tungsten carbide.

44. (Withdrawn) The method of claim 38, wherein the powder infiltrated material comprises at least one of nickel, cobalt, chromium, boron, silicon, tungsten carbide, and polytetrafluoroethylene.

45. (Withdrawn) The method of claim 38, wherein the carbide infiltrated material and the powder infiltrated material are bonded together prior to application of the hardfacing.
46. (Withdrawn) The method of claim 38, wherein at least one of the carbide infiltrated material and the powder infiltrated material comprise selected areas formed from a composition having a substantially low temperature of vaporization, the selected areas corresponding to desired positions of drilling inserts to be positioned in the drill bit structure after hardfacing thereof.
47. (Currently Amended) A method of forming a drill bit structure, the method comprising:
- machining a plurality of holes in preselected locations in the drill bit structure;
  - positioning a spacer insert in each of the plurality of holes;
  - applying a hardfacing material over at least a portion of an outer surface of the drill bit structure wherein at least a portion of the spacer insert is covered after application of the hardfacing material;
  - removing the plurality of spacer inserts from the plurality of holes; and
  - positioning drilling inserts in each of the plurality of holes.
48. (Previously Presented) The method of claim 47, wherein applying the hardfacing material comprises using an arc hardfacing process.
49. (Withdrawn) The method of claim 48, further comprising: enlarging the plurality of machined holes to a selected diameter so as to enable disposition of drilling inserts therein; and positioning drilling inserts in each of the plurality of enlarged holes.
50. (Previously Presented) The method of claim 47, wherein applying the hardfacing material comprises using a high velocity oxygen fuel hardfacing process.
51. (Withdrawn) The method of claim 50, further comprising: enlarging the plurality of machined holes to a selected diameter so as to enable disposition of drilling inserts therein; and positioning drilling inserts in each of the plurality of enlarged holes.